

Message Text

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ORIGIN ARA-14

INFO OCT-01 ISO-00 SSO-00 PA-01 EB-08 NSCE-00 SS-15
DOE-15 SOE-02 INR-10 INRE-00 DOEE-00 ICAE-00 /066 R

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O 091708Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY CARACAS IMMEDIATE

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E.O. 11652: N/A

TAGS: PEPR, ENRG, EINV, VE, US

SUBJECT: WIRE SERVICE STORY ON US-VENEZUELA PETROLEUM
COOPERATION

REF: CARACAS 5270

1. THE FOLLOWING GUIDANCE WAS PREPARED FOR THE JUNE 9
NOON PRESS BRIEFING, ON IF ASKED BASIS.

Q. DO YOU HAVE ANY COMMENT ON REPORTED DIFFERENCES
BETWEEN THE U.S. AND VENEZUELA ON PETROLEUM MATTERS?

A. THE U.S. AND VENEZUELA SEE MUTUAL BENEFITS TO BE
GAINED FROM INFORMAL BILATERAL COOPERATION IN ENERGY
MATTERS. SUCH COOPERATION WAS INITIATED AT THE FIRST
MEETING BETWEEN PRESIDENT CARTER AND PRESIDENT PEREZ, AND
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THERE HAVE BEEN EXCHANGES OF VISITS BY TECHNICAL EXPERTS
AND MEETINGS BETWEEN GOVERNMENT OFFICIALS, INCLUDING
SECRETARY OF ENERGY SCHLESINGER AND VENEZUELAN MINISTER
HERNANDEZ. THIS TYPE OF COOPERATION ENABLES BOTH
COUNTRIES TO ENSURE THAT THEIR POINTS OF VIEW ARE CONVEYED
TO SENIOR OFFICIALS. THE VENEZUELAN, FOR EXAMPLE, ARE

WELL AWARE OF THE U.S. GOVERNMENT POSITION ON PETROLEUM PRICING, AND OUR CONCERN THAT THE NATIONALIZED U.S. OIL COMPANIES RECEIVE FAIR TREATMENT. WE HAVE ALSO POINTED OUT THAT FIRMS IN THE PRIVATE SECTOR HAVE MOST OF THE ADVANCED TECHNOLOGY IN THE AREA OF OIL AND GAS DEVELOPMENT. IT IS OUR POLICY TO CONTINUE TO SEEK ENHANCED COOPERATION IN ENERGY BETWEEN OUR TWO COUNTRIES.

Q. HAS THE U.S. GOVERNMENT OPPOSED PETROLEUM PRICE INCREASES PROPOSED BY VENEZUELA?

A. THE U.S. HAS CONSISTENTLY OPPOSED INCREASED OIL PRICES BECAUSE WE BELIEVE AN INCREASE WOULD DAMAGE THE WORLD ECONOMY.

Q. WHAT HAS BEEN THE UNITED STATES GOVERNMENT ATTITUDE TOWARD PRESIDENT PEREZ' PROPOSAL FOR AN OIL PRICE INCREASE TO HELP PAY LDC DEBTS?

A. OUR OPPOSITION TO OIL PRICE INCREASE IS WELL KNOWN. PRESIDENT PEREZ' PROPOSAL WAS NOT DISCUSSED BETWEEN OUR GOVERNMENTS.

Q. IS THE U.S. GOVERNMENT INTERESTED IN ENERGY COOPERATION BETWEEN VENEZUELA AND THE U.S. ON A GOVERNMENT TO GOVERNMENT BASIS OR THROUGH PRIVATE INDUSTRY? LIMITED OFFICIAL USE

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A. THE U.S. WANTS CLOSER ENERGY COOPERATION BETWEEN THE TWO COUNTRIES. ALTHOUGH MOST U.S. OIL TECHNOLOGY AND NECESSARY CAPITAL ARE IN THE HANDS OF PRIVATE COMPANIES, THE U.S. AND VENEZUELA HAVE RECENTLY EXCHANGED EXPERTS TO EXPLORE TECHNICAL COOPERATION BETWEEN OUR GOVERNMENTS.

Q. WHAT IS THE U.S. GOVERNMENT VIEW REGARDING THE PARTICIPATION OF U.S. OIL COMPANIES IN DEVELOPING VENEZUELAN OIL DEPOSITS?

A. THE MATTER OF PRIVATE COMPANY PARTICIPATION IS PRIMARILY A QUESTION FOR THE OIL COMPANIES AND FOR THE VENEZUELAN GOVERNMENT.

Q. WHAT IS THE POSITION OF THE UNITED STATES GOVERNMENT IN REGARD TO UNPAID COMPENSATION TO U.S. OIL COMPANIES?

A. WE FAVOR THE PROMPT AND FAIR RESOLUTION OF THE REMAINING ISSUES ARISING FROM THE 1975 NATIONALIZATION OF U.S. OIL INVESTMENTS.

2. THERE WERE NO QUESTIONS ASKED AT THE NOON BRIEFING.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, BRIEFING MATERIALS, PRESS CONFERENCES, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Draft Date: 09 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE146731
Document Source: CORE
Document Unique ID: 00
Drafter: WCSERGEANT
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780242-0154
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780675/aaaacmky.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 93c3428c-c288-dd11-92da-001cc4696bcc
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 CARACAS 5270
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2411652
Secure: OPEN
Status: NATIVE
Subject: WIRE SERVICE STORY ON US-VENEZUELA PETROLEUM COOPERATION
TAGS: PEPR, ENRG, EINV, SOPN, VE, US
To: CARACAS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/93c3428c-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014